

## Summary

Cryptocurrency and cryptocurrency exchanges are leading the way in which people interact with their finances and investments. This modern non-traditional way of 'banking' has seen millions of people access crypto-financial products with relative ease. However with the market worth an estimated \$3 trillion, it is not just investors who are after a slice of the market. Cyber criminals are targeting individual investors and the centralised exchanges; these breaches and hacks involve the theft of personal data as well as investors crypto currency.

Angelides (2021) mentioned the recent Coinbase breach where the exchange delayed publicly announcing the breach to its customers, and the relevant GDPR articles. Research by (Oosthoek and Doerr) found that there were four main reasons why exchanges did not or delayed notifying their customers: they went out of business, they were truly unaware; hacker's ransom demands were lower than regulatory fines, and different jurisdictions having different regulations (2020). It is worth noting that these exchanges and customer's crypto investments are not covered under the Financial Services Scheme; however, Coinbase UK does have 'insurance' for exchange breaches and loss of cryptocurrency but not for personal breaches.

It seems that crypto exchanges are taking cyber security more seriously with better security controls internally and externally to better protect customer's data and investments; However, many exchanges are not being transparent with breaches or losses. I believe more governmental and regulatory oversight is needed to better protect customers, but this contradicts the ethos of cryptocurrency being relatively free from governmental interference.

## References

Angel, A. (2021) Initial Post. Peer response. [online] Available from: <https://www.my-course.co.uk/mod/hsuforum/discuss.php?d=285317> [Accessed 28 November 2021].

Oosthoek, K. and Doerr, C. (2020) From Hodl to Heist: Analysis of Cyber Security Threats to Bitcoin Exchanges. 2020 IEEE International Conference on Blockchain and Cryptocurrency (ICBC). Available from: <https://0-ieeeexplore-ieee-org.serlib0.essex.ac.uk/document/9169412> [Accessed 13 Nov. 2021].